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TAGS: [PREL](#) [KWBG](#) [IS](#) [GAZA](#) [DISENGAGEMENT](#) [ISRAELI](#) [PALESTINIAN](#) [AFFAIRS](#) [SETTLEMENTS](#)

SUBJECT: YONATAN BASSEY ON THE CHALLENGES OF DISENGAGEMENT

Classified By: Ambassador Daniel C. Kurtzer for Reasons 1.4 (b) and (d)

**¶1.** (C) Summary: Yonatan Bassey, head of the Disengagement Authority (SELA), reported on February 23 that a few settlers are beginning to make preparations for disengagement. He explained that SELA has final contracts with about 63 families and is negotiating with many others. Unfortunately, settlers from Netzarim and Neve Dekalim are still holding out. Bassey predicted that less than one-third of settlers will still be in the Gaza Strip on the day of disengagement. Bassey expressed concern for settlement assets but said it may be better to wait until disengagement is closer to decide on their fate because settlers may damage the assets if they think they will be transferred to Palestinians. He said that he had not heard of any settlers planning to move to the West Bank, but noted that "as the fence puts Gush Etzion in Israel with U.S. blessings," it was hard for him to tell settlers not to go there. He also said that the allegation that the GOI is putting up new buildings in Gush Katif is "nonsense." End Summary.

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Lessons from 9/11  
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**¶12.** (C) Yonatan Bassey, head of the Disengagement Authority (SELA), compared himself and the disengagement plan to the situation faced by Kenneth Feinberg -- whom he had met the previous day -- and the victims of the 9/11 tragedy. Bassey noted that the U.S. Congress passed a law to pay \$12 billion in compensation to the victims of 9/11 and their families, of which \$7 billion has been paid out thus far, but that the process was initially highly charged and people held Feinberg responsible. In the end, however, they "got their checks and went home," and Bassey predicted that this would be the case with disengagement in Israel.

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Recent News from the Settlers  
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**¶13.** (C) According to Bassey, a lot has changed in the past few weeks and settlers are beginning to understand that they need to make preparations for their departure. They are finally focusing on issues such as where to live, where to work, and what schools their children will go to, and some have been in contact with SELA to negotiate moving as communities. Bassey said, however, that some are making unreasonable demands such as having the state pay for them to be relocated near Tel Aviv. This is impossible because the land around Tel Aviv is expensive and most of it is privately owned.

**¶14.** (C) Bassey reported that a number of villages who had previously avoided SELA are now negotiating, and explained that Kfar Darom is no longer holding out and has started talking with Bassey through a mediator. Unfortunately, Netzarim and Neve Dekalim -- the largest settlement with more than 500 families, equivalent to one-third of the entire settlement population slated for evacuation -- are still not talking to SELA. According to Bassey, SELA has final contracts with about 63 families, some from Peat Sadeh, and is in negotiations with the rest.

**¶15.** (C) Bassey explained that it is hard to gauge SELA's success, however, because a lot of settlers may move on their own in the end. The key was SELA's approach of going and speaking personally to all involved Gaza families, which was convincing them to plan ahead (Note: Bassey also sent out a letter to settler families on February 27 offering SELA's assistance with relocation and personal issues. End note). Bassey also thought that the approval of the disengagement compensation legislation boded well: its average 30 percent increase in compensation levels from the original levels had probably induced more settlers to leave Gaza peacefully. Moreover, the increased compensation will allow many more settlers to feel they have received "fair" value for their holdings. The new school year was also a key motivating factor: Bassey believed that 90 percent of Gaza settlers would move out between the first and twenty-first of July to relocate before school began. In the end, Bassey opined that less than one-third of the settlers will remain in Gaza on disengagement day, or perhaps they will move out beforehand. Bassey warned, however, that the father of settler families

may return on the day of disengagement to declare "they are fighting."

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Settlement Assets  
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16. (C) Bassey was clearly occupied with the subject of settlement assets. He noted that he had spoken to Vice Prime Minister Shimon Peres about developing options to pay for agricultural assets, primarily greenhouses. Peres was looking at finding a third party to mediate the assets. His first concern was helping the Palestinians get on their own two feet because, long-term, the donors could not support the entire Gaza community. Peres felt the key was to bring industry into Gaza, according to Bassey. Bassey's own opinion about the assets in general was that it would be counterproductive to destroy them. His team, made up of Shin Bet and IDF personnel, agreed. One major problem was the lack of a decision by the Palestinians themselves as to whether they wanted the assets. "Dahlan still thinks it's better to destroy assets because the Palestinians need the land. Settler houses are not suitable for Palestinian families." In any case, Bassey felt it would probably be wiser to make a final decision on assets closer to disengagement day, as settlers were likely to destroy the assets if they knew they would end up in Palestinian hands. Bassey was confident the GOI would find a solution to the problem at the end of the day -- perhaps it could employ private guards to protect the assets between disengagement day and Palestinian take over.

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Because U.S. Recognized Gush Etzion as Part of Israel, We Can't Stop Settlers from Going There  
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17. (C) In response to a question from Economic Counselor, Bassey said that he had not heard of any settlers planning to move to the West Bank. He noted, however, that "as the fence puts Gush Etzion in Israel with U.S. blessings," it was hard for him to tell settlers not to go there.

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Bassey Discounts New Settler Construction in Gaza  
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18. (C) Bassey said the allegation that settlers were putting up new buildings in Gush Katif was "nonsense." The contracts for them were signed a long time ago, he maintained, so construction was continuing on old projects. He was uncertain how many such contracts were outstanding, but estimated the amount at NIS 40 million. He was surprised that this issue had hit the press now, since the Exceptions Committee had held the meeting on the subject 2-3 months ago. In any case, he said there was nothing new going on vis-a-vis construction; it would be ridiculous for the GOI to finance new construction knowing full well disengagement was to occur in a matter of months.

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Financial Issues  
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19. (C) Bassey said that the GOI would not pay out compensation until the end of March, although the point was fairly academic since few were coming in at this point. He said that SELA had not yet made a decision on the final day appraisals could be made for settler assets, but he felt this would not be a problem since the appraisals were fairly straightforward.

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